

DEERT FUND

DRY CLEANING ENVIRONMENTAL RESPONSE TRUST

2012 ANNUAL REPORT



MISSOURI
DEPARTMENT OF
NATURAL RESOURCES



HISTORY

In 2000, Senate Bill 577 established the Drycleaning Environmental Response Trust Fund, or DERT Fund, and Section 260.960, Revised Statutes of Missouri, or RSMo, authorized it. The DERT Fund, provides funding for the investigation, assessment and cleanup of releases of chlorinated solvents from dry cleaning facilities. The DERT Fund is a state fund and is administered by the Missouri Department of Natural Resources' Hazardous Waste Program according to rules published by the Hazardous Waste Management Commission. The laws and regulations governing the DERT Fund are found in Sections 260.900 to 260.965 RSMo and 10 Code of State Regulations 25-170.010 to 10 CSR 25-17.170 respectively. In 2011, Senate Bill 135 extended the expiration date of the DERT Fund from Aug. 28, 2012 to Aug. 28, 2017.

Operators of active dry cleaning facilities are required to register with the Missouri Department of Natural Resources, as outlined in Section 260.915 RSMo. Each active and operating dry cleaning facility is required to pay an annual registration surcharge based upon the number of gallons of chlorinated solvents used during the calendar year, as outlined in Section 260.935 RSMo. This includes coin-operated dry cleaning facilities. Laundry facilities located in prisons, government entities, hotels, motels and industrial laundries are specifically exempt from the requirements of this statute. All solvent suppliers that sell or provide chlorinated solvents to a dry cleaning facility are required to pay the solvent surcharge fees to the department.

Section 260.955 RSMo, requires the department to provide an annual report to the General Assembly and the governor regarding:

- Receipts of the fund during the preceding calendar year and the sources of the receipts.
- Disbursements from the fund during the preceding calendar year and the purposes of those disbursements.
- The extent of corrective action taken during the preceding calendar year.
- The prioritization of the sites for expenditures from the fund.

DISBURSEMENTS FROM THE DERT FUND

Expenditures from the fund are used to:

1. Reimburse participants for the costs of addressing releases of chlorinated solvents from dry cleaning facilities. Participants are liable for the first \$25,000 of eligible cleanup related costs as a deductible.
2. Administer the program by collecting the surcharges and guiding and assisting the cleanup activities.

Table 1 describes the expenditures from the fund, which were prohibited until, on or after July 1, 2002, by Section 260.925 RSMo. Reimbursements for eligible environmental cleanup costs were not made until the regulations went into effect on May 30, 2006.

TABLE 1 - EXPENDITURES OF THE DERT FUND

Calendar Year ⁽¹⁾	Salaries & Wages	Expense & Equipment	Fringe, etc. ⁽⁴⁾	Reimbursements ⁽⁵⁾	Total Costs
2000 ⁽²⁾	\$0	\$0	\$0	\$0	\$0
2001 ⁽²⁾	\$0	\$0	\$0	\$0	\$0
2002 ⁽²⁾	\$1,163	\$0	\$2,350 ⁽³⁾	\$0	\$3,513
2003	\$77,271	\$14,995	\$35,655	\$0	\$127,921
2004	\$106,083	\$59,642	\$73,437	\$0	\$239,162
2005	\$99,583	\$63,909	\$92,528	\$0	\$256,020
2006	\$187,488	\$145,789	\$140,850	\$176,031	\$650,158
2007	\$186,019	\$64,858	\$155,026	\$258,785	\$664,688
2008	\$192,387	\$25,814	\$171,884	\$140,000	\$530,085
2009	\$183,108	\$9,316	\$200,064	\$456,733	\$849,221
2010	\$178,337	\$8,450	\$172,540	\$303,651	\$662,978
2011	\$137,229	\$8,210	\$143,355	\$284,689	\$573,483
2012	\$104,777	\$4,086	\$158,751	\$495,468	\$763,082
Totals	\$1,453,445	\$405,069	\$1,346,440	\$2,115,357	\$5,320,311

⁽¹⁾ Source: SAM II Data Warehouse Information.

⁽²⁾ RSMo, Section 260.925 prohibited expenditures from the DERT Fund until on or after July 1, 2002.

⁽³⁾ House Bill 1115, Section 15.220, RSMo, authorized a transfer of \$1,289 out of the State treasury on May 6, 2002, chargeable to various funds, such amounts as are necessary for allocation of costs to other funds in support of the state's central services, to the general revenue fund.

⁽⁴⁾ Fringe amount includes Old Age Survivors and Disability Program, retirement system, deferred comp, Missouri Consolidated Health Care Plan, Cost Allocation Plan (OA), Cost Allocation (DNR) State Office Bldg Maintenance and Repair, etc.

⁽⁵⁾ Reimbursements were not made until the regulations went into effect on May 30, 2006.

RECEIPTS TO THE DERT FUND

The Hazardous Waste Program is responsible for the collection of all applicable surcharges from dry cleaning facilities and solvent suppliers. There are two main sources of revenue for the fund. The first is a dry cleaning facility annual registration surcharge paid by owners and operators of dry cleaning facilities (\$500, \$1,000 or \$1,500 based on chlorinated solvent used during the calendar year). The second is a solvent surcharge paid by the solvent suppliers on a quarterly basis of \$8 per gallon of perchloroethylene, trichloroethylene and other chlorinated solvents sold.

TABLE 2 - 2012 DRY CLEANER FACILITY ANNUAL REGISTRATION SURCHARGE

Size of Facility	Facilities Registering by 5/1/13	Gallons of Solvent Used	Annual Registration Fee
Small	129	0 to 140	\$500
Medium	14	141 to 360	\$1,000
Large	1	>360	\$1,500

Table 3 describes the surcharge collections. The collection of the registration surcharges began on April 1, 2001. The collection of the solvent surcharge began with the April 1, 2001 to June 30, 2001 quarter.

TABLE 3 - RECEIPTS TO THE DERT FUND(1)

Calendar Year	Registration Surcharge	Solvent Surcharge	Interest & Penalties	Totals
2000	\$0	\$0	\$0	\$0
2001	\$221,500	\$170,208	\$5,995	\$397,703
2002	\$222,150	\$435,859	\$17,886	\$675,895
2003	\$303,126	\$427,880	\$26,892	\$757,898
2004	\$319,488	\$409,293	\$43,178	\$771,959
2005	\$234,150	\$367,598	\$73,595	\$675,433 ⁽²⁾
2006	\$204,993	\$308,678	\$121,077	\$635,248 ⁽³⁾
2007	\$185,371	\$259,175	\$138,931	\$583,477
2008	\$191,888	\$237,874	\$132,377	\$562,139
2009	\$154,991	\$182,459	\$54,143	\$391,598 ⁽⁴⁾
2010	\$135,573	\$173,448	\$28,387	\$337,408
2011	\$131,706	\$130,997	\$17,575	\$280,312 ⁽⁵⁾
2012	\$113,415	\$105,978	\$13,029	\$233,442 ⁽⁶⁾
Totals	\$2,418,351	\$3,209,447	\$673,065	\$6,302,512

⁽¹⁾ Source: SAM II Data Warehouse Information.

⁽²⁾ 2005 total includes a \$90 refund to the fund.

⁽³⁾ 2006 total includes a \$500 transfer in.

⁽⁴⁾ 2009 total includes a \$5 vendor refund to the fund.

⁽⁵⁾ 2011 total includes a \$34 overpayment.

⁽⁶⁾ 2012 total includes a \$1,020 transfer in.

PRIORITIZATION OF SITES FOR EXPENDITURES FROM THE FUND

IO CSR 25-17.140 allocates DERT Fund monies to prioritized sites in the following proportions: high priority sites: 60 percent; medium priority sites: 30 percent; low priority sites: 10 percent. In any fiscal year, if the funding allocation in any priority category is not used, those funds may be reallocated to other priority categories, starting with any high priority sites and followed by medium and then low priority sites.

Sites applying to the program must submit the results of one soil, groundwater or surface water sample that exhibits contamination of dry cleaner solvent excess of the department cleanup levels. The initial assessment will allow the department to determine the eligibility of the site in the fund. Some sites will provide enough information during the application process to receive a ranking score. Other sites will require additional information before a ranking score can be determined.

If the site has not provided enough information to have a ranking score determined, the department will direct the owner or operator to conduct the necessary assessments to determine a ranking score. The ranking score is based on such factors as environmental contamination, potential economics, potential receptors, risk-based cleanup parameters, site history, threat to drinking water sources, threat to off-site properties, etc. A copy of the prioritization form is available online at www.dnr.mo.gov/env/hwp/dert/hwpvcp-dryclean.htm.

On May 30, 2006, the DERT Fund began accepting applications for enrollment into the fund for oversight and reimbursement of investigation and cleanup activities. By the end of 2012, the fund had received applications for 42 sites. Five of these sites received a certification of completion letter from the Brownfields/Voluntary Cleanup Program, or BVCP, and enrolled into the fund for reimbursement of eligible costs. Fourteen of the 42 sites transferred from the BVCP to the DERT Fund during 2006.

By the end of 2012, the DERT Fund had issued 11 Certificate of Completion letters and reimbursed \$2,115,357 in eligible costs to participants (See Table 1).

During calendar year 2012, a liability analysis was conducted for the DERT Fund. The department determined reimbursement of future costs for the investigation and remediation of contaminated dry cleaning sites may be limited or impossible. Reimbursement funds are not guaranteed for any work plans approved after Sept. 3, 2012 and the DERT Fund is not accepting any new applications for enrollment after this date. Notices regarding the DERT Fund status were mailed in September 2012 to participants and their consultants, the stakeholder group, and all active dry cleaners in Missouri that use chlorinated solvents.

TABLE 4 - DERT FUND SITES

Site Name and City	Priority			Amount Reimbursed	Comments
	High	Med.	Low		
AG Cleaners, Kirkwood			X		
Ambassador Cleaners, Ellisville			X		
American Cleaners, Ballwin		X			
American Cleaners-Dorsett Road, Maryland Heights			X	\$5,090	Completion Letter issued 5/21/09
American Cleaners - Fenton Plaza, Fenton		X		\$87,240	
American Cleaners - Mid Rivers Mall, St. Peters*		X		\$144,486	Reimbursements completed
American Cleaners - Natural Bridge, Bridgeton		X		\$12,264	Completion Letter issued 11/29/10
American Cleaners - Southroads, St. Louis		X		\$53,547	Completion Letter issued 6/11/09
American Cleaners, University City		X		\$7,132	
A to Z Auto Center - Crestwood			X		
Bright and Free Laundry & Dry Cleaners - St. Louis			X	\$13,060	
Busy Bee Laundry, Rolla	X			\$343,922	
Charter Dry Cleaning - Ellisville		X		\$5,078	
Clayton Cleaners, St. Louis	X			\$60,089	
Colonial Cleaners - Arsenal Street, St. Louis	X			\$30,400	
Colonial Cleaners - Brentwood Blvd., St. Louis	X				Completion Letter issued 7/2/08
Community Laundromat, Ava	X				Terminated by DERT
Cypress Village Shopping Center, St. Ann*		X		\$366,200	Reimbursements completed
Davis Cleaners, Columbia					
First Capitol Cleaners, St. Charles	X			\$14,871	
Foster's Cleaners, Blue Springs			X	\$17,353	Completion Letter issued 6/18/09
Frontenac Cleaners - West End, St. Louis		X			Completion Letter issued 5/14/08
Grandview Plaza, Grandview			X	\$3,095	
Kingshighway Retail Center, Sikeston		X		\$13,068	
Ma Ma Bessie's Cleaners, Columbia					
McDonald's State Line, Kansas City		X			Completion Letter issued 7/26/12
Mission River/Antioch Cleaners, Kansas City		X		\$10,070	
Paramount Cleaners, Florissant*		X		\$42,035	Reimbursements completed
Park Lane Cleaners, Chillicothe			X	\$15,584	
Plaza Ford Ideal Laundry & Dry Cleaners Inc., Kansas City	X			\$40,197	
Premier Dry Cleaners of KC, Kansas City			X	\$22,798	Completion Letter issued 9/22/11
Regal Cleaners, University City		X			
Shamrock Cleaners, Kansas City					
Stanford Saper Cleaners, Kansas City*			X		No claims yet
Staten Island Cleaners, Florissant	X			\$203,562	Completion Letter issued 2/30/08
Tri-States Service Company - Boonville Ave. Springfield	X			\$369,079	
Tri-States Service Company - East Trafficway, Springfield		X		\$157,476	

TABLE 4 - DERT FUND SITES, CONTINUED

Site Name and City	Priority			Amount Reimbursed	Comments
	High	Med.	Low		
U.S. Cleaners - St. Louis					
VIP Cleaners, St. Peters			X		Completion Letter issued 1/13/10
West Gate Cleaners, St. Louis		X			Completion Letter issued 10/19/07
Yorkshire Cleaners, Marlborough	X			\$70,309	
Zehrt Printing, St. Louis*		X		\$7,352	Reimbursements completed

*Reimbursement only, site received certification of completion letter from Brownfields/Voluntary Cleanup Program.

TABLE 5: CORRECTIVE ACTION CONDUCTED IN 2012

Site Name and City	Corrective Action Conducted
AG Cleaners, Kirkwood	Groundwater monitoring to determine plume stability
American Cleaners, Ballwin	Initial assessment to identify extent of soil and groundwater contamination
American Cleaners - Fenton Plaza, Fenton	Groundwater monitoring to determine plume stability
American Cleaners, University City	Groundwater monitoring; Remediation via multi-phase extraction and in-situ chemical injection
Bright and Free Laundry & Dry Cleaners, St. Louis	Conduct risk assessment
Busy Bee Laundry, Rolla	Groundwater monitoring; Remediation via multi-phase extraction
Charter Dry Cleaning, Ellisville	Groundwater monitoring to determine plume stability
Clayton Cleaners, St. Louis	Groundwater monitoring; Installation and sampling of additional monitoring wells
First Capitol Cleaners, St. Charles	Groundwater monitoring; Installation and sampling of additional monitoring wells
Grandview Plaza, Grandview	Groundwater monitoring
McDonalds State Line, Kansas City	Groundwater monitoring; Certification of Completion letter issued
Park Lane Cleaners, Chillicothe	Groundwater monitoring to determine plume stability
Regal Cleaners, University City	Groundwater monitoring
Tri-States Service Company - Boonville Ave., Springfield	Installation of additional monitoring wells; Additional soil and groundwater sampling to determine extent of contamination
Yorkshire Cleaners, Marlborough	Groundwater monitoring

COMPLIANCE WITH SURCHARGES

The two main sources of revenue for the fund are the dry cleaning facility annual registration surcharge and the solvent surcharge. State law requires owners and operators of dry cleaning facilities pay the annual registration and solvent suppliers to pay the solvent surcharge on quarterly basis.

When a facility or solvent supplier is not in compliance with the law, the DERT Fund uses the department's conference, conciliation and persuasion process to return them to compliance. In 2006, the department's Hazardous Waste Program began referring facilities and solvent suppliers that continued to fail compliance to the Attorney General's Office.

Active and abandoned dry cleaners that are eligible for the fund must be in compliance with all applicable environmental laws in order to receive funding for environmental cleanup. Consequently, it is in everyone's interest to assist businesses in returning to compliance with the law so they are covered by the fund.

On Sept. 1, 2008 the DERT Fund began notifying the registered solvent suppliers about the active dry cleaning facilities that have not paid their required registration surcharges. According to 10 CSR 25-17.030(2)(G) "a solvent supplier shall not provide dry cleaning solvents to an active dry cleaning facility that has not paid its annual dry cleaning facility registration surcharge."

A solvent supplier who knowingly supplies solvent to a dry cleaning facility that is not in compliance with payment of the surcharges will be in violation of the above regulation. The DERT Fund also posts a listing of these dry cleaning facilities on its webpage similar to that for solvent suppliers who do not pay the required solvent surcharges.

Table 6 indicates the compliance rate for annual dry cleaning facility registration surcharges. Failure to pay the registration surcharges represents approximately 90 percent of the violations that occur in the DERT Fund.

OUTREACH ACTIVITIES

The department has additional information, publications, forms and answers to questions about the fund available on the Web at www.dnr.mo.gov/env/hwp/dert/hwpvcp-dryclean.htm.

The department is a member of the State Coalition for the Remediation of Drycleaners. The coalition is comprised of states that have formal dry cleaner cleanup programs. EPA's Technology Innovation Office funds this coalition. The coalition conducts conference calls every other month and holds an annual meeting to discuss issues related to dry cleaner program administration and technical site investigation or cleanup topics. The coalition serves as an invaluable asset for Missouri as the department manages the fund and provides oversight of assessments and cleanup of dry cleaner sites.

**TABLE 6 - DRY CLEANING FACILITY
REGISTRATION COMPLIANCE**

Calendar Year	No. of Active Facilities	Facilities Submitting Registration Form and Surcharges by 5/1/13	Percent Compliance with Annual Registration
2012	188	144	76.6

**TABLE 7 - COMPLIANCE/ENFORCEMENT ISSUES
WITH DRY CLEANING FACILITIES**

Calendar Year	Issued an NOV	Referred to Compliance/ Enforcement	Referred to the AGO	Returned to Compliance
2012	20	14	4	133

**TABLE 8 - SOLVENT SUPPLIERS QUARTERLY
REPORTING COMPLIANCE**

Calendar Year	No. of Active Suppliers	Suppliers Submitting Quarterly Reports and Surcharges on Time	Percent Compliance Quarterly Reporting
2012	11	9	82

**TABLE 9 - COMPLIANCE/ENFORCEMENT ISSUES
WITH SOLVENT SUPPLIERS**

Calendar Year	Issued an NOV	Referred to Compliance/ Enforcement	Referred to the AGO	Returned to Compliance
2012	0	0	0	5

REFERENCES

State Program To Clean Up Drycleaners. Schmidt, Robin, R. DeZeeuw, L. Henning and D. Trippler. June 2001. State Coalition for Remediation of Drycleaners. www.drycleancoalition.org/survey/

Departmental Missouri Risk-Based Corrective Action Technical Guidance, Missouri Department of Natural Resources, April 2006. www.dnr.mo.gov/env/hwp/mrbca/mrbca.htm.

CONTACT INFORMATION

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